More pertinent to the FCC's objectives, there simply cannot be any question but that these stations have substantially enhanced both competition and diversity in these five local markets. Each of the LMAs generates more than 120,000 new advertising availabilities each year. In Austin, Texas, alone, the LMA with KNVA increased spot television advertising inventory by approximately 25%. In all of LIN's markets, the brokering and brokered stations maintain separate sales staffs who compete vigorously with each other; there can be no doubt but that this additional supply has provided downward pressure on advertising prices in these markets.

In addition, each of the stations also provides many new hours of "shelf space" for network and syndicated programming, spending over $5.3 million in non-sports programming annually and providing coverage of 2% of the nation for the WB Network alone (and paying over $250,000 per annum to ASCAP, BMI and other music licensing societies). Again, this increased supply of broadcast time undoubtedly has made these five markets far more competitive for network affiliations and syndicated programming.

Similarly, as shown above, each of the LMAs has provided substantial new competition for viewers, not just broadcast station viewers but cable and DBS viewers as well. Prior to the LMAs, none of these stations were recording significant viewing. As they have been upgraded to full power and height and programming investments have been increased, the stations' performance has improved steadily. All of these stations are now major competitive factors in their markets with shares for the newer LMAs in the low single digits and ratings for the most watched programming (e.g., local baseball) reaching double-digits.

All of the stations represent important new outlets for local programming and local public service efforts. In addition to new or time-shifted local newscasts, the stations have carried or produced hundreds of hours of children's programming and thousands of public service announcements, the vast majority of which are produced by or for local institutions. And the LMA station operation creates the potential for many kinds of creative and innovative new ventures such as the prime-time replay of program-length political programming normally shown only in the traditional weekend morning slots.

Above all, these five stations have made over-the-air broadcasting stronger and more resistant to attrition from multichannel competitors. Without these outlets, many more Texas Rangers games would be on pay television in Dallas, the WB Network would be on cable in Norfolk, Hartford-New Haven and Austin, and dozens of high quality syndicated products would be forced to accept the smaller audience pool but greater subscriber-fee choice presented by the cable networks. In a video marketplace now dominated by multichannel competitors, each and every outlet is crucial to the competitiveness of broadcast television and in these five markets, five new substantial broadcast options are available solely because of the efficiencies made available through LMA station operations.

## IV. DEREGULATION WILL MAKE THE LOCAL MARKET MORE EFFICIENT.

Although LMAs create many economies of scale, the savings and benefits would be even greater if the Commission deregulated the local television market and permitted common ownership of local stations. Under the current policy, a brokering licensee must retain actual control over its personnel, programming and finances. As a result, brokered stations incur expenses associated with hiring managerial and staff personnel to comply with the main studio rule, maintaining a studio facility, and otherwise overseeing its operations. Additionally, there often are inefficiencies in requiring the brokering station to obtain the approval of the brokered station in carrying out its rights and obligations pursuant to the LMA. Many of these costs could be eliminated if the Commission permitted the LMA stations to be commonly owned.

## CONCLUSION

The local ownership rules are intended to foster both diversity and competition in the local television marketplace. LIN's experience over the past few years has shown that LMAs, in fact, promote these objectives by converting underutilized channels into viable local programming outlets and creating more opportunity and competition in the programming and advertising markets. Also based on LIN's experience, there is no cause for concern that LMAs, or the deregulation of the local broadcast market, will reduce competition or the number of distinct local broadcast outlets. To the contrary, without these types of policies, weaker stations in the market may not be utilized to their full potential. For these reasons, LIN respectfully requests that the Commission continue to permit LMAs and deregulate the local broadcast market.

Respectfully submitted,

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